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REMARKS/ARGUMENTS

Claims 1-37 are pending. Claims 1, 4, 22, 25 and 31 are amended. Claims 25 and 31 are amended to correct typographical errors.

Claim 4 is objected to because of informalities. In view of the amendment to claim 4, it is respectfully requested that the above objection be withdrawn.

Claims 1-37 are rejected under 35 U.S.C 102(e) as being anticipated by Whitehouse (U.S. 6,005,945). Applicant submit that all of the pending claims are patentable over the cited references, and reconsideration and allowance of the pending claims are respectfully requested.

Amended independent claim 1 includes, among other limitations "a database remote from the user terminal for securely storing the private key and the public key in a user transaction data record assigned to the user," and "a server system remote from the user terminal and coupled to the computer network including a computer executable code for authenticating the user with the user transaction data record assigned to the user utilizing the stored private key in the database, wherein the private key assigned to the user is not stored in the client system." Support for the above amendment is provided, for example, on page 71, line 10 to page 72, line 20, FIG. 5 and the related description.

Whitehouse does not disclose the above limitations. Rather, in the system of Whitehouse as shown by Fig. 4, the user encryption keys (private/public key pair) 124 are stored in the customer PC 104 and the central computer encryption keys 164 are stored in the central computer 102. Although, Whitehouse claims that his system removes "the need for specialized secure computational equipment at end user sites" (see abstract), it specifically discloses that the Customer PC 104 keeps the user public/private keys locally "needed to send and receive messages from the secure central computer 102." (Col. 8, lines 9-10).

For example, "the end user encryption procedures 162 include both public/private key encryption/decryption and symmetric key encryption/decryption capabilities. However, the public/private key encryption/decryption capability of the end user encryption procedures 162 is used only for establishing and changing the session key associated with the end user computer's 'meter' account." (Col. 9, lines 32-39). A new session key periodically generated by the central computer 102 "is sent to the end user computer in a message that is encrypted with the end user

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computer's public key, and is decrypted by the end user computer using the corresponding private key." (Col. 9, lines 42-45, emphasis added.).

In an alternative embodiment, "the new session key can be generated by requesting the end user computer to generate a public/private key pair and to send the public key [not the private key] to the secure central computer. The end user computer and the secure central computer can then both independently generate a new session key as a function of each computer's private key and the other computer's public key." (Col. 9, lines 51-57, emphasis added.).

Upon authenticating a user requesting to print a postage, the central computer generates a message encrypted using the public key associated with the requesting user account (214), and then the transmitting the message to the requesting user. (Col. 13, lines 16-55, and FIG. 5A.). "The <u>user computer</u> decrypts the postage indicium message <u>using the user account private key</u> (218), [and] prints the mail piece label." (Col. 13, lines 56-58, emphasis added.).

Therefore, in the system of Whitehouse, the user encryption keys 124 are stored in the customer PC 104 and not in "a database remote from the user terminal," as required by independent claim 1. Similarly, the system of Whitehouse does not authenticate "the user with the user transaction data record assigned to the user utilizing the stored private key in the database, wherein the private key assigned to the user is not stored in the client system."

Accordingly, amended independent claim 1 is not anticipated by Whitehouse and is patentable over the cited references. Amended independent claim 22 includes similar limitations and therefore is not anticipated by Whitehouse either.

In short, the independent claims 1 and 22 define a novel and non-obvious invention over the cited references. Dependent claims 2-21 and 23-37 are dependent from claims 1 and 22, respectively and therefore include all the limitations of their respective independent claims and additional limitations therein. Accordingly, these claims are also allowable over the cited references, as being dependent from allowable independent claims and for the additional limitations they include therein.

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In view of the foregoing remarks and amendments, it is respectfully submitted that this application is now in condition for allowance, and accordingly, reconsideration and allowance are respectfully requested.

Respectfully submitted,

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